

Single Rulebook Q&A

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Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Supervisory reporting - FINREP (incl. FB&NPE)
Article	99
Paragraph	1
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 680/2014 - ITS on supervisory reporting of institutions (as amended)
Article/Paragraph	Annex III, F 10.00
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Disclose name of institution / entity	Yes
Name of institution / submitter	Swedish Bankers' Association
Country of incorporation / residence	Sweden
Type of submitter	Industry association
Subject matter	Clarification on cleared OTC derivatives
Question	What type of market should cleared OTC derivatives (according to EMIR in EU and Dodd-Frank Act in the US) be classified as? OTC or Organized market?
Background on the question	In specification 10 derivatives should be specified by type of market in either a) OTC or b) organized market. We consider as regards cleared OTC derivatives, that the instructions are not clear enough on how to define them as OTC or Organized market.
Final answer	The fact that a derivative contract is traded in an OTC market which, according to Regulation 648/2012 in the EU and to the Dodd-Frank Act in the US, requires clearing through a Central Counterparty (CCP) does not imply that such OTC market becomes an organized market for the purposes of reporting FINREP templates. Therefore, if a reporting entity enters into a

	<p>derivative contract in an OTC market where central clearing is compulsory, it shall classify that derivative as "OTC market" and not as "Organised market" (understood for this purpose as an "regulated market" as set out in article 4(92) of the CRR).</p> <p>The allocation of a transaction as "OTC" or "Organized market" shall be based on the nature of the market where the transaction takes places and not on whether there is a mandatory clearing obligation for that transaction.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_560

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